

CREDIT SERVICES PROTECTION ACT (EXCERPT)
Act 160 of 1994

445.1823 Prohibited conduct.

Sec. 3. A credit services organization, a salesperson, agent, or representative of a credit services organization, or an independent contractor who sells or attempts to sell the services of a credit services organization shall not do any of the following:

(a) Charge or receive from a buyer who is seeking a loan or extension of credit any money or other valuable consideration before the closing of the loan or extension of credit.

(b) Charge a buyer or receive from a buyer of services money or other valuable consideration before completing performance of all services the credit services organization has agreed to perform for the buyer.

(c) Charge a buyer or receive from a buyer money or other valuable consideration solely for referral to a retail seller who will or may extend credit to the buyer if the credit that is or may be extended to the buyer is substantially the same as that available to the general public.

(d) Make or use a false or misleading representation in the offer or sale of the services of a credit services organization.

(e) Engage, directly or indirectly, in a fraudulent or deceptive act, practice, or course of business in connection with the offer or sale of the services of a credit services organization including, but not limited to, both of the following:

(i) Guaranteeing or otherwise stating that the organization is able to delete an adverse credit history unless the representation clearly discloses, in a manner equally as conspicuous as the guarantee, that this can be done only if the credit history is inaccurate or obsolete and is not claimed to be accurate by the creditor who submitted the information.

(ii) Guaranteeing or otherwise stating that the organization is able to obtain an extension of credit regardless of the buyer's previous credit problems or credit history unless the representation clearly discloses, in a manner equally as conspicuous as the guarantee, the eligibility requirements for obtaining an extension of credit.

(f) Fail to perform the agreed services within 90 days following the date the buyer signs the contract for services.

(g) Counsel or advise a buyer to make a statement that is known, or should be known, to be untrue or misleading to a consumer credit reporting agency, a person who has extended credit to a buyer, or to a person to whom the buyer is applying for an extension of credit.

(h) Remove, assist, or advise the buyer to remove adverse information from the buyer's credit record which is accurate and not obsolete.

(i) Create, assist, or advise the buyer to create a new credit record by using a different name, address, social security number, or employer identification number.

(j) Submit a buyer's dispute to a consumer credit reporting agency without the buyer's knowledge.

(k) Provide a service to a buyer that is not pursuant to a written contract that complies with this section.

History: 1994, Act 160, Imd. Eff. June 13, 1994.